



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-489-824]

### Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Turkey: Notice of Initiation and Preliminary Results of Changed Circumstances Review

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** In response to a request for a changed circumstances review (CCR), the Department of Commerce (Commerce) is initiating a CCR of the antidumping duty (AD) order on heavy walled rectangular welded carbon steel pipes and tubes (HWR pipes and tubes) from Turkey. We preliminarily determine that Ozdemir Boru Profil Sanayi ve Ticaret Sirketi (A.S.) (Ozdemir AS) is the successor-in-interest to Ozdemir Boru Profil Sanayi ve Ticaret Limited Sirketi (Ozdemir Ltd. Sti.). Interested parties are invited to comment on these preliminary results.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Samantha Kinney or Alexis Cherry, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-2285 and (202) 482-0607, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

On September 13, 2016, Commerce issued an AD order on imports of HWR pipes and tubes from Turkey.<sup>1</sup> Pursuant to the *Order*, Commerce excluded Ozdemir Ltd. Sti. from the

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<sup>1</sup> See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865 (September 13, 2016) (*Order*).

*Order* for entries of HWR pipes and tubes that were produced and exported by Ozdemir Ltd. Sti.<sup>2</sup> In the most recently completed administrative review covering the period September 1, 2017, through August 31, 2018, we assigned Ozdemir Ltd. Sti. a weighted-average dumping margin of 35.66 percent for entries of HWR pipes and tubes where Ozdemir Ltd. Sti. was not both the producer and exporter of subject merchandise.<sup>3</sup> On November 2, 2021, Ozdemir AS requested that Commerce conduct an expedited CCR of the *Order* to determine that Ozdemir AS is the successor-in-interest to Ozdemir Ltd. Sti.<sup>4</sup> In this submission, Ozdemir AS addressed the basic factors Commerce analyzes with respect to successor-in-interest determinations in the AD context and provided supporting documentation.<sup>5</sup> Commerce received no comments from interested parties on Ozdemir's CCR Submission.

#### Scope of the *Order*

The merchandise covered by the *Order* is certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.

Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or

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<sup>2</sup> *Id.*

<sup>3</sup> See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2017-2018*, 84 FR 64455 (November 22, 2019).

<sup>4</sup> See Ozdemir AS's Letter, "Request for Changed Circumstances Reviews," dated November 2, 2021 (Ozdemir's CCR Submission). In this submission, Ozdemir AS also requested that Commerce conduct an expedited CCR of the companion countervailing duty (CVD) order on HWR pipes and tubes from Turkey. Commerce intends to address the CCR request with respect to the CVD order in a separate *Federal Register* notice.

<sup>5</sup> *Id.*

- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes, the written description of the scope of this *Order* is dispositive.

#### Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, Commerce will conduct a CCR upon a request from an interested party for a review of an AD order which shows changed circumstances sufficient to warrant a review of the order.<sup>6</sup> The information submitted by Ozdemir AS supporting its claim that Ozdemir AS is the successor-in-interest to Ozdemir Ltd. Sti. demonstrates changed circumstances sufficient to initiate a review.<sup>7</sup>

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<sup>6</sup> See 19 CFR 351.216(c).

<sup>7</sup> See 19 CFR 351.216(d).

The information submitted by Ozdemir AS demonstrates that its request is based solely on a change in corporate classification from a limited liability company (limited sirketi) to a joint stock company (anonim sirketi), effective September 24, 2021.<sup>8</sup> Moreover, the evidence submitted in support of Ozdemir's request demonstrates that Ozdemir AS is otherwise the same business entity as Ozdemir Ltd. Sti. Therefore, in accordance with the above-referenced regulation, Commerce is initiating a CCR to determine whether Ozdemir AS is the successor-in-interest to Ozdemir Ltd. Sti.

### Preliminary Results

When it concludes that expedited action is warranted, Commerce may publish the notice of initiation and preliminary results of a CCR concurrently.<sup>9</sup> Commerce has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.<sup>10</sup> In this instance, because we have on the record information to support the request for a preliminary determination and no other interested party comments, we find that expedited action is warranted, and we are combining the notice of initiation and the notice of preliminary results of review, in accordance with 19 CFR 351.221(c)(3)(ii).

### *AD Methodology*

In a CCR, we generally consider a company to be the successor to another company for AD cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.<sup>11</sup> In making this determination, Commerce examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3)

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<sup>8</sup> See Ozdemir's CCR Submission at 4.

<sup>9</sup> See 19 CFR 351.221(c)(3)(ii).

<sup>10</sup> See, e.g., *Multilayered Wood Flooring from the People's Republic of China: Initiation and Preliminary Results of Antidumping and Countervailing Duty Changed Circumstances Reviews*, 82 FR 9561 (February 7, 2017), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 82 FR 14691 (March 22, 2017).

<sup>11</sup> *Id.*

suppliers; and (4) customer base.<sup>12</sup> While no single factor or combination of factors is dispositive, Commerce will generally consider one company to be the successor to another if its resulting operation is essentially the same as that of its predecessor.<sup>13</sup> Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, Commerce will assign the new company the cash deposit rate of its predecessor.<sup>14</sup>

In its CCR submission, Ozdemir AS provided evidence demonstrating that Ozdemir AS's operations are not materially dissimilar from those of Ozdemir Ltd. Sti. Specifically, Ozdemir AS has the same shareholders and same management team as Ozdemir Ltd. Sti.<sup>15</sup> Further, Ozdemir AS submitted capacity records showing that its production facilities, capacities, number of employees, machinery, and equipment are the same as its predecessor's.<sup>16</sup> Finally, Ozdemir AS submitted evidence that there have been no material changes to the company's suppliers or customer base.<sup>17</sup> Based on the foregoing, we preliminarily determine that Ozdemir AS is the successor-in-interest to Ozdemir Ltd. Sti.

Should our final results remain unchanged from these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise that are not both produced and exported by Ozdemir AS the AD cash deposit rate applicable to Ozdemir Ltd. Sti., effective as of the date of publication of the final results. Entries that are both produced and exported by Ozdemir AS will be excluded from the *Order*.

#### Public Comment

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<sup>12</sup> See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117, 48118 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

<sup>13</sup> *Id.*

<sup>14</sup> See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China*, 81 FR 76561 (November 3, 2016), unchanged in *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016).

<sup>15</sup> See Ozdemir's CCR Submission at 3-4 and Exhibit 3.

<sup>16</sup> *Id.* at 4-5 and Exhibits 4-5.

<sup>17</sup> *Id.* at Exhibits 8-9.

Any interested party may request a hearing within 14 days of publication of this notice, in accordance with 19 CFR 351.310(c). Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.<sup>18</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the case briefs.<sup>19</sup> Parties who submit case briefs or rebuttal briefs in this CCR are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>20</sup> All comments are to be filed electronically using ACCESS, available to registered users at <https://access.trade.gov>, and must also be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.<sup>21</sup> Note that Commerce has temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.<sup>22</sup>

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated or within 45 days of publication of these preliminary results, if all parties agree to our preliminary findings.

#### Notification to Interested Parties

We are issuing and publishing this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

Dated: December 6, 2021.

Ryan Majerus,  
Deputy Assistant Secretary  
for Policy and Negotiations,  
Performing the Non-Exclusive Functions and Duties of The Assistant Secretary for  
Enforcement and Compliance.

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<sup>18</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

<sup>19</sup> Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for the filing of rebuttal briefs.

<sup>20</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>21</sup> See 19 CFR 351.303(b)

<sup>22</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

